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CLERK U.S. DISTRICT COURT WESTERN DISTRICT OF WASHINGTON AT TACOMA	
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ELISABETH M. DUNN
5813 Graham Avenue
Sumner, WA 98390



10-CV-05133-CMP

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
TACOMA DIVISION

ELISABETH M. DUNN

Plaintiff,

v.

Lehman Brothers Bank, F.S.B
1000 West Street, Suite 200
Wilmington, DE 19801
Et al,

Aurora Loan Services, LLC,
1000 West Street Suite 200
Wilmington, DE 19801

McCarthy Holthus, LLP
19735 10th Ave NE Suite N-200
Poulsbo, WA 98370

Quality Loan Services of Washington

C10-05133 RBL
Action No.:

COMPLAINT

19735 10th Ave NE Suite N-200)
Poulsbo, WA 98370)
)
Defendants.)

[1] a) Jurisdiction for the court is invoked under diversity of citizenship, plaintiff is a citizen of the State of Washington; defendant(s)

1. Lehman Brothers Bank, F.S.B, Lehman Brothers Bank FSB /Aurora Loan Services, LLC now both renamed to Aurora Bank, F.S.B, is a corporation incorporated under laws of the State of Delaware.
2. McCarthy Holthus, LLP is a corporation incorporated under the laws of the State of Washington.
3. Quality Loan Services of Washington is a corporation incorporated under the laws of the State of Washington.
4. McCarthy Holthus LLP and Quality Loan services of Washington are the entity's alter ego of the same set of principals, Kevin McCarthy, Thomas J. Holthus and Matthew Cleverly Branch Manager.

b) Jurisdiction is invoked under federal question arising under 18 USC subsec 1344, 42 USC subsec 1986, subsec 1985, subsec 1983.

c) Portions of this case arise under admiralty or maritime jurisdiction within meaning of Rule 9 A(h).

FIRST CAUSE OF ACTION

[2] On or about November 26, 2006, Defendant, Lehman Brothers Bank FSB /Aurora Loan Services, LLC converted Promissory Note, and Deed of Trust documents to Defendant's own use, the property owned by Plaintiff in a fraudulent inducement under non disclosure of material facts to part with valuable consideration in exchange for non sufficient funds check.

FACTS

1. NOTE is our promise to pay at a future time, labor backing both the NOTE and all current funds circulating as currency.
2. Monetizing or securitizing the NOTE turns it into a cash item.
3. Deed of Trust is security for the NOTE. Trust law reverses rules of evidence; Trustee must prove good faith, full disclosure and proper procedures for operations.
4. Escrow is the transfer point between seller, buyer, Title Company, so called lender, where the NOTE is exchanged for deed.
5. Lehman Brothers Bank FSB /Aurora Loan Services, LLC, issued check to escrow under internal request procedure. At time of issuing audits will expose that there is no evidence verifying: a) source of money; b) owned by bank; c) at time, or later, of issuing check, all of which is available as proof via public records of corporation.
6. Lehman Brothers Bank FSB /Aurora Loan Services, LLC issued NSF (non sufficient funds) check.

7. Lehman Brothers Bank FSB /Aurora Loan Services, LLC never possessed the NOTE until after transfer between seller and buyer, deed for check.
8. Lehman Brothers Bank FSB /Aurora Loan Services, LLC executed at closing of escrow is security for the NOTE.
9. Lehman Brothers Bank FSB /Aurora Loan Services, LLC later records as sent, NOTE to offset the liability of check.
10. Lehman Brothers Bank F.S.B/Aurora Loan Services, LLC records, audited statement, shows conclusively that Lehman Brothers Bank FSB /Aurora Loan Services, LLC, loaned credit, buyers credit, which took place at escrow closing.
11. Lehman Brothers Bank FSB /Aurora Loan Services, LLC did not loan its own assets, it loaned credit, not even Defendants, an ultra vires act, illegal under law and regulating authorities. A FRAUD, FRAUD IN THE INDUCEMENT, FAILURE OF CONSIDERATION, CONSTRUCTIVE FRAUD, done in CONSPIRACY, ISSUE A FRAUDULENT SECURITY, an utterly void and without value transaction.
12. Transfer of Title to registry systems or second servicer is fraudulent.
13. Lehman Brothers Bank FSB /Aurora Loan Services, LLC claims abandoned funds after three (3) years. This is double payment and never disclosed.
14. Deed of Trust is fraudulent, resulting in defective Title, unmarketable title.
15. Balance sheet relating to the original 'loan', shows ledgering of the account as required to be reported and open knowledge under 12 USC § 242, § 347 and proved by 1099 reports available from IRS.

16. The 424 B-5 prospect reports shows filing facts concerning the security issued under the note and Deed of Trust without reporting bases of the derivative.
17. Securities and Exchange Commission Reports S 3 A shows the sale of the 'note' and form of item sold.
18. FASB (Financial Accounting Standards Board) forms 125, 133, 140, 5, 95 guides an auditor to the liability side of the banks books, exposing exactly where the 'money' came from and shows where it went and under what procedure and instrument.
19. The NOTE as negotiable instrument falls under UCC.
20. There is never a receipt given for the deposit of value.
21. 12 USC § 1813 (L) (I) discloses that deposit of a promissory note is cash to the bank. Lehman Brothers Bank FSB /Aurora Loan Services, LLC's cash is Plaintiff's cash, not Lehman Brothers Bank FSB /Aurora Loan Services, LLC; the proof is the bogus loan paper.
22. There was never a receipt issued for the cash deposit.
23. The notes transferred at a transaction account creates an asset on the payable side of the ledger; while on the liability side of the ledger, the NOTE issued by the presumed buyer/borrower is sold after monetizing.
24. First funds transferor holds absolute right to the NOTE or cash equivalent.
25. 1098 OID identifies the principal issuer.
26. Plaintiff has no contract with the Lehman Brothers Bank FSB /Aurora Loan Services, LLC.

27. Lehman Brothers Bank FSB /Aurora Loan Services, LLC never placed on the files of this matter its corporate delegation, nor its minutes authorizing to entry into a contract with Plaintiff.
28. There is no officer identified with corporate authority attached or corporate authority disclosed to engage a contract with Plaintiff.
29. The corporate charter for Lehman Brothers Bank FSB /Aurora Loan Services, LLC, Defendant now held by Aurora Bank, F.S.B. Defendant does not authorize its taking of Plaintiff's NOTE to fund Defendant's liability, escrow check, exchanged for issuers, Plaintiff's note, obligation to pay at close of escrow on specific time line.
30. Lehman Brothers Bank FSB /Aurora Loan Services, LLC issued a NSF (non sufficient funds) check to escrow prior to having possession of the assets, NOTE issued by Plaintiff.
31. Lehman Brothers Service's charter, state law and federal law did not authorize Lehman Brothers Bank FSB /Aurora Loan Services, LLC to lend credit, no matter the source of the credit.
32. The Defendant, Lehman Brothers Bank FSB /Aurora Loan Services, LLC's charter limits the Defendant to specific acts; all acts outside its legal or corporate authority being ultra vires, of no effect, utterly void.

[3] Plaintiff alleges and complains that: In this matter, the payments made by Plaintiff to Aurora Loan Services, LLC were induced under fraud, the illegal acts above, which

voids any claim by Aurora Loan Services, LLC, thereby holding Plaintiff's property under conversion, the NOTE and the lien under Deed of Trust fraudulent inducement.

[4] Plaintiff alleges and complains that: The creation of debt by lenders, Plaintiff, payment of or agreement to pay money to the debtor, Aurora Loan Services, LLC, or to a third party for account of debtor, Aurora Loan Services, LLC is not a contract. Assumption of contract being in place for collection process requires that the contract be produced; it is never produced because there is no contract. Defendant Aurora Loan Services, LLC misled Plaintiff under fraudulent inducement to participate in fraudulent transaction resulting in fraudulent securities being publicly traded, to which Plaintiff is owner of both equitable and legal results to all values accrued, a conversion, and theft of Plaintiff's value and substance, sweat equity labor, theft under conversion.

[5] Plaintiff alleges and complains that: The creation of debt by a credit to an account with Aurora Loan Services, LLC, upon which the borrower of Plaintiff's NOTE, Aurora Loan Services, LLC is allegedly entitled to draw immediately such as the NSF check exchange for the NOTE does not create a contract or obligation. Failure by Lehman Brothers Bank FSB /Aurora Loan Services, LLC to produce bona fide contract is admission to fraudulent inducement to part with valuable consideration in exchange for nothing but a different instrument, a conversion. None the less, the only value issued is by Plaintiff which is able to be shown through Lehman Brothers Bank FSB /Aurora Loan Services, LLC documents which are public record, audits and corporate reports. Failure of consideration, theft in conversion by deceptive trade practices wherein federal

instrumentalities, FHA, and Office of Comptroller of Currency are part, via regulations is alleged and shown by public, open records.

[6] Plaintiff alleges and complains that: Lehman Brothers Bank F.S.B/ Aurora Loan Services, LLC has failed to operate under these legal and regulatory principals, covered by the laws governing consumer credit and usury, the providing of rate ceilings to assure adequate supply of credit to consumers; to educate consumers for understanding the terms of credit transactions; to keep so called lenders honest through competition for credit at reasonable cost; to protect so called consumers against illegal acts; to keep fair and sound consumer credit practices; to comply with FEDERAL TRUTH IN LENDING ACT; and to equalize all jurisdictions in knowing violation of federal law and regulations.

[7] Plaintiff alleges and complains that: Consumers in the above context are assumed to be Plaintiff. In reality Lehman Brothers Bank FSB /Aurora Loan Services, LLC is the consumer of Plaintiff's credit. Plaintiff issued the product, the NOTE, promise to pay, representing labor as the only source of value in the transaction, fraudulently induced under conversion, theft in violation of law and regulations governing such transactions, under failure to disclose required by law, a conspiracy to deceive both Plaintiff and regulatory authorities.

[8] Plaintiff alleges and complains that: Lehman Brothers Bank, F.S.B/Aurora Loan Services, LLC did not provide the goods, the NOTE or the labor backing it, did not

manufacture the credit represented by the NOTE, labor, sweat equity, none the less, the user of the product, the NOTE representing real value, labor, is the buyer of the check in exchange for the home at issue herein, through a fraudulent inducement as outlined above. Lehman Brothers Bank FSB /Aurora Loan Services, LLC, covered by theft, fraudulent trade practices, the NOTE wherein the Plaintiff is misled by deceptive, predatory, trade practices, to part with valuable consideration the only backing for the NSF check issued to seller of the property at issue here.

[9] Plaintiff alleges and complains that: Lehman Brothers Bank, F.S.B /Aurora Loan Services, LLC as outlined herein has no entitlement, no legal protections without production of the contract exhibiting all the necessary requirements of a contract by operation of law. Theft of Promissory Note, Deed of Trust, and security instrument in order to securitize the fraudulent conversion for sale into public trade in securities markets is proved by records and Securities Exchange Commission records, same never authorized by Plaintiff.

Therefore, the Plaintiff demands judgment against Defendant Lehman Brothers Bank FSB /Aurora Loan Services, LLC, now Aurora Bank, F.S.B. \$314,950.00, return of the original Promissory Note, release of lien on title, clearing of title to reflect free and clear ownership of Plaintiff, and damages as the court deems proper to make Plaintiff whole for long term suffering and pain caused by fear of illegal acts resulting in loss of home, plus costs.

SECOND CAUSE OF ACTION

[10] Plaintiff restates and re-alleges one through nine above at this point.

[11] Defendant Lehman Brothers Bank FSB /Aurora Loan Services, LLC knew of all the above conversion, theft, and deceptive misleading practices yet chose to engage in compounding the conversion for their own private gain deceptively covering up such fraudulent securities and are believed to have issued their own securitized instruments under said knowledge in conspiracy of silence to cover up fraud, fraudulent inducement, conversion, theft, issuing fraudulent securities.

[12] Plaintiff alleges and complains that: Defendants Lehman Brothers Bank FSB /Aurora Loan Services, LLC, F.S.B., McCarthy Holthus LLP and Quality Loan Services of Washington operate knowingly outside BASEL III accords, Executive Branch of the United States agreement, to apply receivable side of ledger sheet only and not accounts payable side of ledger sheet, in an off book transaction in violation of bank regulations for private gain at expense of Plaintiff, conversion, theft, false ledgers.

Therefore; Plaintiff demands judgment against Defendant Lehman Brothers Bank FSB /Aurora Loan Services, LLC for \$314,950.00

THIRD CAUSE OF ACTION

[13] Defendants, Lehman Brothers Bank F.S.B/Aurora Loan Services LLC, a for profit actor in this complaint knowingly with intent to deceive Plaintiff into believing Trustee holds powers under conversion, fraudulent security and derivatives holds no lawfully obtained powers to act as foreclosing agent. Defendant Trustee is in receipt of notice of the fraud, conversion, theft, deceptive trade practices, consumer fraud, and predatory lending tactics, violations of BASEL III and refuses to even attempt to clear up these claims. Defendants Trustee McCarthy Holthus LLP and Quality Loan Services of Washington proceeds in conspiracy to cover up for co-Defendants.

Therefore; Plaintiff demands judgments as stated above, return of the original Promissory Note, release of lien on title, clearing of title to reflect free and clear ownership of Plaintiff, by any co-conspirator Defendant party and bond to be issued by Lehman Brothers Bank F.S.B et al; in the amount of \$944,850.00 (three times total amount) against damages for all Defendant parties.

Done this 26th day of February, 2010 as stated true and correct under first hand knowledge and belief duly sworn under pains and penalties of perjury under laws of The United States of America, 28 USC subsec. 1746, 1 in verification of complaint.

Elisabeth M. Dunn

by

Elisabeth M. Dunn

ELISABETH M. DUNN

Elisabeth M. Dunn

Authorized Agent